

## Message Text

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PAGE 01 MEXICO 04724 130034Z

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ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 HEW-04 OES-06 MED-02 L-03 /093 W

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R 122340Z APR 76

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 4195

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E. O. 11652: N/A

TAGS: EINV, ECEM, SPOP, MX

SUBJECT: BARBASCO AND G.D. SEARLE

REF: (A) STATE 067874; (B) MEXICO 4453

1. ACCORDING TO SEARLE DE MEXICO COMPANY OFFICIAL, STATEMENT BY PROQUIVEMEX MANAGER VILLAR BORJA QUOTED IN WALL STREET JOURNAL WAS DISAVOWED BY SECRETARY OF INDUSTRY AND COMMERCE CAMPILLO SAINZ IN MEETING WITH DRUG COMPANIES. CAMPILLO SAINZ SAID THAT GOM HAD NEITHER TECHNICAL CAPACITY NOR INTEREST IN NATIONALIZING THE SIX COMPANIES.

2. SOURCE ATTRIBUTES PROQUIVEMEX ACTIONS TO MONEY-MAKING MANEUVERS WHICH SOME INDIVIDUALS ENGAGE IN DURING LAST MONTHS OF PRESIDENTIAL TERM. VILLAR BORJA DESCRIBED AS CLOSE FRIEND OF PRESIDENT ECHEVERRIA'S SON, WITH FREE ACCESS TO PRESIDENTIAL HOUSEHOLD.

3. SOURCE SAYS COMPANIES HAVE NOT BOUGHT BARBASCO SINCE SEPTEMBER. SEARLE ORDERED BARBASCO LATE IN YEAR BUT PROQUIVEMEX DELAYED PROCESSING UNTIL NEW PRICE HIKE ANNOUNCED. COMPANIES HAD BEEN FORCED TO SELL SOME STOCKS OF BARBASCO TO PROQUI-

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PAGE 02 MEXICO 04724 130034Z

VEMEX AT 12 PESOS PER KILO TO BUY IT BACK AT 20, SO WERE

NATURALLY RELUCTANT TO HAVE TO PAY 70 PESOS. SOURCE UNCLEAR WHETHER TRANSACTIONS WERE ACTUAL MOVEMENTS OF GOODS OR MERELY PAPERWORK.

4. SEARLE IS SEEKING FDA APPROVAL FOR TWO POSSIBLE SUBSTITUTES FOR BARBASCO PRODUCT DIOSGENIN, A SOYA BY-PRODUCT FROM U.S. AND ANOTHER RAW MATERIAL FROM FRANCE. WOULD USE THESE AS SUBSTITUTES FOR DIOSGENIN IF IMPORTABLE. IF NOT WOULD SWITCH PRODUCTION OF HORMONES TO U.S. AND PUETRO RICAN PLANTS AS MEXICAN PRODUCTION WOULD BE UNECONOMICAL. SEARLE WOULD CONVERT MEXICAN CPACITY FOR OTHER PRODUCTS SUCH AS LOMOTIL.

5. SOURCE EXPECTS WITHIN MONTH DECISION BY GOVERNMENT-INDUSTRY BOARD FORMED TO REVIEW PRICE HIKE FOLLOWING INDUSTRY APPEALS(SEE REFTEL B).

6. COMMENT: FURTHER CONTACTS WITH INDUSTRY SOURCES MAY SHED MORE LIGHT ON A RATHER CONFUSED SITUATION. CLIMATE OF MEXICAN PHARMACEUTICAL INDUSTRY IS TENSE BETWEEN PROQUI- VEMEX ACTIONS AND NEW LAW OF PATENTS WHICH DOES NOT ALLOW PATENTS ON ANY PHARMACEUTICAL FORMULATION.  
THOMPSON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DRUGS, NATIONALIZATION, FOREIGN INVESTMENT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 APR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** buchant0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976MEXICO04724  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760138-0928  
**From:** MEXICO  
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**Line Count:** 84  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 67874, 76 MEXICO 4453  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** buchant0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 20 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <20 JUL 2004 by coburnhl>; APPROVED <29 OCT 2004 by buchant0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BARBASCO AND G.D. SEARLE  
**TAGS:** EINV, ECEM, SPOP, MX, SEARLE  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006